

## Suffolk Pension Fund Investment Strategy Statement

The Suffolk Pension Fund has prepared this Investment Strategy Statement in line with the Local Government Pension Scheme (Management and Investment of Funds) Regulation 2016, with reference to the Department for Communities and Local Government (DCLG) guidance on 'Preparing and Maintaining an Investment Strategy Statement' and after taking appropriate professional advice.

This statement is subject to review at least every three years and from time to time on any material change in investment policy or other matters as required by law. The Pension Fund Committee will consult with the Pension Board and employers in the Fund on any material change to the Investment Strategy Statement.

### Fund Objective

#### Funding Strategy Statement

The Fund has published a Funding Strategy Statement (FSS). Its purpose is:

- "to establish a clear and transparent fund-specific strategy which will set out how employers' pension liabilities are best met in the future;
- to comply with the regulatory framework to maintain employer contribution rates as constant as possible; and
- to take a prudent longer-term view of funding those liabilities."

The funding objective that has been adopted for the Suffolk Pension Fund is to ensure that the assets of the Pension Fund, when taken in conjunction with future contributions, are sufficient to ensure that all future pension and retirement benefits will be fully covered by the Fund's assets when they fall due.

#### Funding Level

The funding level of the Pension Fund is the value of the Fund's assets expressed as a percentage of the Fund's liabilities at the most recent actuarial valuation of the Fund. The funding level at March 2016 was 91%. The Funding Strategy provides for the Fund to return to a fully funded position over a period of around 20 years. In accordance with the Funding Strategy Statement the Committee determined the rate of contributions payable by each of the employers in the Fund for the three years starting 1 April 2017.

#### Investment Beliefs

The Pension Fund Committee has a clear set of investment beliefs which provides a framework for all investment decision making. The Committee has the following headline beliefs which are reviewed regularly.

##### I) Investment Horizon

The Committee believes that having a long term investment strategy will deliver a better return outcome for the Fund. The Committee reviews the performance of its investment managers over a minimum period of three years. By taking a longer term view, the Committee expects to receive enhanced risk adjusted returns and lower transaction costs caused by reduced asset turnover. The Committee does not consider short term opportunities as a way of delivering year on year performance and believes that the effective management of financial risks of its investment assets results in positive performance over the long term.

##### II) Diversification

The Committee invests in a range of asset classes (including but not restricted to equities, bonds, infrastructure, private equity and property) to provide the Fund with diversification benefits and the opportunity to capture some illiquidity premium (from being a long term investor).

The Committee considers that equities are the liquid asset expected to generate superior long-term returns, relative to government bonds.

The Committee believes the use of alternative assets can reduce overall volatility in the delivery of Fund returns without leading to a significant reduction in overall expected return, and also improves its risk-return characteristics.

### III) Active versus passive Management

The Committee favours active management where there are opportunities to add value, increasing the overall expected return (after fees) without significantly increasing the overall level of volatility.

Passive management is utilised as a low cost way of achieving market returns, whilst reducing risk.

### Investment Strategy

The Suffolk Pension Fund is cash flow positive, meaning that annual contributions are currently in excess of annual benefit payments. It is therefore in a position to target a predominantly growth-based strategy with the aim of maximising asset value in the long term within agreed risk levels, which takes into account liquidity requirements.

There are significant levels of diversification between different asset classes to ensure that the value of the Pension Fund when taken in conjunction with future contributions is sufficient to ensure that all future pension and retirements benefits will be fully covered by the Fund's assets when they fall due, whilst maintaining the Fund's relatively low risk approach.

### Asset Allocation

The Fund has a 78.5% allocation to 'growth' assets (equities and alternatives) in order to meet the long term funding assumptions set out in the 2016 actuarial valuation.

The Fund's investments are allocated across a range of asset classes. The largest allocation is to equities which also accounts for the majority of the investment risk taken by the Fund.

Over the long term, equities are expected to outperform other liquid asset classes, particularly bonds. Allocation to asset classes other than equities and bonds, allows the Fund to gain exposure to other forms of returns which can also reduce the overall volatility of portfolios. These assets are expected to generate returns broadly similar to equities over the long term and so allocation to these can maintain the expected return and assist in the management of volatility.

The 21.5% allocation to bonds is designed to manage overall levels of funding volatility within agreed levels.

### Investment Allocation

The Committee has translated its objectives into an asset allocation plan (overleaf) and investment management structure for the Fund (set out in **Appendix 1**). The Fund's target is consistent with the Committee's views on the appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk and the nature of the Fund's liabilities.

The Government has placed a 5% restriction on the investments of the Suffolk Pension Fund into entities connected with Suffolk County Council. The Pension Fund currently has no investments in entities connected to Suffolk County Council and is therefore below the 5% statutory limit included in the regulations.

Asset Class	Target Allocation	Maximum Limit
	%	%
UK Equities	16.0	25.0
Overseas equities	30.5	40.0

<b>Total listed equities</b>	<b>46.5</b>	<b>65.0</b>
Fixed Income	17.5	25.0
UK Index-linked Gilts	4.0	8.0
<b>Total Bonds</b>	<b>21.5</b>	<b>33.0</b>
Private equity	4.0	8.0
Property	10.0	15.0
Absolute Return	10.0	15.0
Infrastructure	5.0	15.0
Timber	0.5	1.0
Illiquid Debt	2.0	5.0
<b>Total Alternatives</b>	<b>33.0</b>	<b>59.0</b>
<b>Cash</b>	<b>0.5</b>	<b>5.0</b>
<b>Total</b>	<b>100.0</b>	<b>162.0</b>

The Committee monitors the investment allocation relative to the agreed asset allocation benchmark and the maximum investment limits. In addition to on-going monitoring the investment allocation is formally reviewed annually. Furthermore, specific consideration is given to investment strategy in the light of information arising from each triennial actuarial valuation.

### Currency hedging

There is no overarching currency hedge in place. This policy is kept under review by the Pension Fund Committee.

A proportion of the foreign currency exposure relating to the passive overseas equities is hedged by Legal & General to reduce the impact of exchange rate movements on sterling returns. Investment Managers have discretion to utilise hedges for risk management purposes.

### Investment managers

The Committee ensures that the investment managers are properly authorised under the local government investment regulations to manage the assets of the Fund. The investment managers have been appointed in accordance with the County Council's procurement procedures and with appropriate professional advice from the Fund's Investment Adviser, Hymans Robertson LLP.

The Committee has also determined investment allocations and restrictions for each investment manager, which are consistent with the Fund's overall investment strategy. The Director of Resource Management may vary these restrictions, after consultation with the Pension Fund Committee.

The Committee, after seeking appropriate investment advice, has agreed specific benchmarks with each manager so that, in aggregate, they are consistent with the overall asset allocation for the Fund. The Fund's investment managers will hold a mix of investments which reflects their views relative to their respective benchmarks. Within each major market and asset class, the managers will maintain diversified portfolios through direct investment or pooled vehicles and a mix of asset types across a range of geographies in order to provide diversification of returns.

The managers appointed, and the mandates they manage, are detailed in **Appendix 2**.

### Risk Management

The Fund is exposed to a number of risks which pose a threat to the Fund meeting its objectives. These risks are set out and monitored as part of a formal risk register which is available on the Suffolk Pension Fund website ([www.suffolkpensionfund.org](http://www.suffolkpensionfund.org)). The principal risks affecting the Fund are:

a) **Funding risks:**

- Financial mismatch
  - The risk that Fund assets fail to grow in line with the developing cost of meeting Fund liabilities.

- The risk that unexpected inflation increases the pension and benefit payments and the Fund assets do not grow fast enough to meet the increased cost.
  - Changing demographics
    - The risk that longevity improves and other demographic factors change increasing the cost of Fund benefits.
  - Systemic risk
    - The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting Fund liabilities.
- b) **Asset risks:**
- Concentration
    - The risk that significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives.
  - Illiquidity
    - The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets.
  - Manager underperformance
    - The failure by the fund managers to achieve the rate of investment return assumed in setting their mandates.
- c) **Other provider risks:**
- Transition risk
    - The risk of incurring unexpected costs in relation to the transition of assets among managers.
  - Custody risk
    - The risk of losing economic rights to Fund assets, when held in custody or when being traded.
  - Credit default
    - The possibility of default of a counterparty in meeting its obligations.

### **Mitigations:**

The approach the Committee adopts to managing these risks is via a combination of:

- The appointment of professional advisers to assist the Committee in managing these risks;
- Agreed processes and guidelines for consideration and monitoring of the investments;
- Specific limits on individual investments;
- Ensuring the expected return from the investment strategy is consistent with the assumptions made by the Actuary in valuing the Fund;
- Assessments of the levels of risk taken by the Fund;
- Diversification of asset classes and managers; and
- Regular review and monitoring.
- Professional advice is sought for significant transitions with consideration to the appointment of specialist transition managers.

### **Expected return on investments**

Over the long term, the overall level of investment return is expected to exceed the rate of return assumed by the Actuary in valuing the Fund and setting funding requirements.

### **Realisation of investments**

The majority of assets held within the Fund may be realised quickly if required. The Committee monitors both the level of liquid assets and the liquidity requirements of the Fund.

### **Stock Lending**

The Pension Fund Committee has considered its approach to stock lending, after taking advice from its investment adviser. After consideration of that advice, the Committee has given authority to its custodian to lend equities within its mandates subject to agreed collateral being provided and an overall

restriction that the proportion of Fund assets that are available to be lent at any time is limited to 25% of Fund assets.

The manager(s) of pooled funds may undertake a certain amount of stock lending on behalf of unitholders in the fund. Where a pooled fund engages in this activity, the extent to which it does is disclosed by the manager. The Committee has no direct control over stock lending in pooled funds. Nevertheless, it is comfortable that the extent and nature of this activity is appropriate to the circumstances of the Fund. Legal & General undertakes stock lending in its passive funds.

### **Environmental, Social & Governance Considerations**

The Committee does not restrict the investment managers' choice of investments by reference to social, environmental or ethical criteria but seeks to use its position as a shareholder to actively encourage good corporate governance practice in those companies in which it invests through the exercising of voting rights and through engagement.

Consultation with the Pension Board and employers in the Fund would be carried out if this policy was to change and an investment decision was proposed based on non-financial factors.

### **Exercise of Voting Rights**

The Committee has adopted a voting policy in respect of direct holdings of UK equities, which promotes best practice on corporate governance in those companies. The Committee has published the voting policy on the Suffolk Pension Fund web site ([www.suffolkpensionfund.org](http://www.suffolkpensionfund.org)), where the quarterly voting activity undertaken by Pensions and Investment Research Consultants (PIRC) on behalf of the Suffolk Pension Fund is also published.

### **Engagement**

The Suffolk Pension Fund is a member of the Local Authorities Pension Fund Forum (LAPFF), to enable it to act collectively with other local authorities on corporate governance issues. The Forum currently has 71 member funds with assets of more than £175 billion.

The Fund expects its investment managers to take account of social, environmental and ethical considerations in the selection, retention and realisation of investments as an integral part of the normal investment research and analysis process. This is insofar as these matters are regarded as impacting on the current and future valuations of individual investments. The Fund believes taking account of such considerations forms part of the investment managers' normal fiduciary duty.

As such, the Fund has a commitment to ensure that companies in which it invests adopt a responsible attitude toward the environment, and adopt high ethical standards. Generally, such companies are expected to behave in a socially responsible manner by taking account of the interests of all stakeholders.

The Fund seeks to achieve this objective by raising issues with companies in which it invests, to raise standards in a way that is consistent with long term shareholder value. Again, the Fund primarily uses its membership of LAPFF to achieve this.

### **Approach to pooling**

Suffolk is a member of the ACCESS pool (along with Cambridgeshire, East Sussex, Essex, Hampshire, Hertfordshire, Isle of Wight, Kent, Norfolk, Northamptonshire, and West Sussex)

All eleven funds are committed to collaboratively working together to meet the government's criteria for pooling and have signed a Memorandum of Understanding to underpin their partnership. ACCESS is working to a project plan in order to create the appropriate means to pool investments. The first investments to be pooled in 2017 will be passively managed investments.

The ACCESS Funds have set out how they meet the pooling criteria, the pool's structure, governance arrangements and services to be shared in the submission made to the Government in July 2016, which is available on ACCESS's website [www.accesspool.org](http://www.accesspool.org)

The Suffolk Pension Fund is working in the expectation that over time all investments will be pooled.

## Funding Strategy and Management Structure

### Investment Managers

The Fund's investment management arrangements are shown below:

<b>Manager</b>	<b>Target Allocation (%)</b>
Blackrock Investment Management	17.5
Brookfield Asset Management	0.5
Kohlberg, Kravis, Roberts	1.0
Legal & General Investment Management	28.0
M&G Investments	13.0
Newton Investment Management	13.5
Pantheon Ventures	3.0
Partners Group	2.0
Pyrford International	6.0
Schroders Investment Management	10.0
Wilshire Associates	1.0
Winton Capital Management	4.0
Cash	0.5
<b>Total</b>	<b>100.0</b>

Infrastructure (Partners and M&G), Private Equity (Pantheon) and Illiquid Debt (M&G) will be substantially drawn down over the next 2-3 years. Sums allocated to these mandates will be invested in index-tracking funds managed by Legal & General pending the drawdowns by the investment managers.

## Investment Limits

### Investment Manager Guidelines

There are a number of restrictions on the investment managers, which are set out in their investment management agreements. These restrictions ensure that the managers adhere to the overall objectives of their mandates in terms of the investments they are permitted to hold and the risks associated with these investments. The main investment restrictions for each investment manager are as follows:

### Legal and General Investment Management

#### Passive Mandate - 28% of the Fund

##### Investment Objective

The objective is to match the Benchmark gross of fees over rolling three year periods. The Benchmark is the average of the respective FTSE indices for each of the asset classes and markets in which the mandate is invested and weighted in accordance to the proportions in the mandate's asset allocation shown below:

##### Investment Allocations:

The asset allocations are as below:

<b>Asset Class</b>	<b>Target Allocation</b>
	%
UK equities	23
Global equities – RAFI 3000	32
North America Equity Index	11
Europe (ex UK) Equity Index	11
Asia Pacific Index	11
<b>Total equities</b>	<b>88</b>
Bonds:	
UK Index-linked (Over 5 Year Index-linked Gilts Index)	12
<b>Total bonds</b>	<b>12</b>
<b>TOTAL</b>	<b>100</b>

### Investment Restrictions

Individual holdings. Legal and General may not invest in unlisted securities. The manager may invest up to 100% of its mandate in pooled life funds.

### Blackrock Investment Management

#### UK Equities Mandate - 9% of the Fund

##### Investment Objective

The objective is to seek to outperform the Benchmark by 2.0% per annum gross of fees over rolling three year periods. The Benchmark is the FTSE All-Share Index.

### Investment Restrictions

The investment restrictions on the manager's discretion in the management of the mandate are set out in full in the investment management agreement. The main restrictions are set out below.

- Geographic / Market / Asset Class / Sector

Asset Class	Permitted Range (% of Market Value of Fund)
UK Equities	90-100
Overseas Equities	0-10
Cash	0-5

- Specific company restrictions: The manager may invest for the Fund in equities that are listed on the London Stock Exchange and the stock exchanges of the following countries: France, Germany, Hong Kong, Japan, Switzerland and United States. Investment in equities on other stock exchanges is subject to specific approval by the County Council.
- Amount or percentage of the Fund : The manager may not invest for the Fund in any single UK equity holding more than 4% in excess of that holding's weighting in the FTSE All-Share Index or more than 5% of the market value of the Fund, whichever is higher, without specific approval from the Pension Fund Committee. The Fund's investments in In-House Funds are not subject to this restriction.
- In-House Funds: The manager may not invest more than 10% of the Fund in the BlackRock Institutional Equity Funds UK Smaller Companies sub-fund.
- Derivatives: The manager may not enter into derivative contracts in respect of the Fund's segregated holdings without specific approval from the County Council. Subject to this, the manager may deal in Derivatives (including Options, Futures, Currency Forwards and Contracts for Differences) for hedging and other purposes. The manager may only deal in Derivatives traded on or under the rules of a Recognised or Designated Investment Exchange although the manager may deal in Derivatives not traded on or under the rules of a Recognised or Designated Investment Exchange (i.e. an over-the-counter (OTC) Derivatives transaction) in respect of index futures and currency forwards. The manager is not permitted to hold any short positions in the Fund by using Derivatives.

### **Fixed Income Mandate - 8.5% of the Fund**

#### **Investment Objective**

The objective is to seek a target return of LIBOR +4-6%.

#### **Investment Restrictions**

There are no investment restriction's placed on the manager as this investment is in BlackRock's pooled fund, the Fixed Income Global Opportunities Fund (FIGO). The Fund itself has built in restrictions, but offers flexibility in duration as well as the ability to allocate across credit sectors and geographies without constraints.

### **Newton Investment Management**

#### **Global Equity Mandate – 13.5% of the Fund**

#### **Investment Objective**

The objective is to outperform the benchmark by 2.5% p.a. (gross of fees) over rolling 3 year and 5 year periods. Benchmark index: MSCI All Countries World Index (Net Dividend Re-Invested).

#### **Investment Restriction**

The investment restrictions on the manager's discretion in the management of the mandate are set out in full in the investment management agreement. The main restrictions are set out below.

- **Stock positions:** The manager will have discretion to have a nil holding in any stock. The manager will have discretion to have a stock position up to +5% overweight relative to the benchmark weight of the stock (i.e. maximum 6% holding for a stock that comprises 1% of the benchmark). In addition, the manager may invest no more than 10% of the Fund in the securities of any one issuer.
- **Number of Stocks:** The manager will hold a minimum of 80 stocks for the mandate.
- **Individual holdings:** The manager may only invest in equities or securities with equity characteristics (that is securities, which are listed on a formally constituted stock exchange), convertibles, preference shares, warrants and derivatives as specified below, unless specific approval is given to vary this.
- **Country restrictions:** No regional restrictions, with the exception of emerging markets where a maximum of 25% of the portfolio value can be invested (with emerging markets defined as those countries excluded from the MSCI World index but included in the MSCI All Countries World Index).
- **Pooled funds:** In-House Funds can be held, up to a combined 10% of the portfolio value, subject to County Council approval for each required fund. Approval is given to hold the Newton South East Asia Exempt Fund, Newton UK Smaller Companies Fund and the Newton Discovery Fund.
- **Cash:** The manager's average total cash holdings in the Fund over any 12-month period should not exceed 3% of the value of the Fund.
- **Derivatives and currency hedging:** The use of derivatives (which must be traded on a recognised or designated investment exchange) is permitted as follows; the manager may purchase index futures, warrants, exchange traded funds and put options and may invest in covered call options. Over the counter contracts (other than forward currency contracts permitted by LGPS Legislation) and outright short positions are not allowed. Derivative transactions shall be fully covered by cash or other property sufficient to meet any obligation to pay or deliver that could arise.
- **Currency hedging (i.e. sale of currencies into the currency of the account) including cross-currency hedging (i.e. sale of currencies into a currency other than the currency of the account) is permitted. Hedging out of a currency is limited to the total portfolio exposure to that currency i.e. outright short positions are not allowed.**
- **Borrowing:** No borrowing is permitted in respect of the mandate.

## **Schroders Property Investment Management**

### **Property Mandate - 10% of the Fund**

#### **Investment Objective**

The objective is to seek to outperform the Benchmark by 0.75% per annum net of fees over rolling three year periods. The Benchmark is the weighted average of the IPD UK Pooled Property All Balanced Funds Index.

#### **Investment Restrictions**

The investment restrictions on the manager's discretion in the management of the mandate are set out in full in the Investment Management agreement. The main restrictions are set out below.

#### **Asset allocation and control ranges**

Schroders will invest in a range of property investments, subject to the following constraints (overleaf).

<b>Fund Type</b>	<b>Approved Ranges</b>
Open-ended funds *	60-100%
Close-ended funds	0-40%

<b>Fund Type</b>	<b>Approved Ranges</b>
Other investments and cash**	0-20%
Open-ended funds may be based in the UK or in the off-shore jurisdictions of Jersey, Guernsey, Luxembourg or Dublin. Investment in funds that are managed from any other non UK jurisdiction will be subject to specific prior approval.	
Other investments include UK property equities (subject to a range of 0-5%) and Property Index Certificates (subject to a range of 0-10%)	

Individual holdings. The manager will hold investments in a minimum of 3 separate property funds at any time. Schroders agree their investment strategy with us on a quarterly basis, and will have discretion to make investments within the terms of the strategy. Partly paid securities may not exceed 5% of the portfolio when fully paid. Schroders will invest in property based in the UK via collective investment schemes or other investments whose purpose is to invest in property. The manager may not invest more than 50% of the portfolio in a single investment.

## **M & G**

### **Fixed Income Mandate - 9% of the Fund**

#### **Investment Objective**

The Fund seeks a total return of 1 month Libor +3 to 5% gross of fees p.a. over the medium term.

#### **Investment Restrictions**

There are no specific investment restriction's placed on the manager as this investment is in M&G's Alpha Opportunities Fund which aims to take advantage of highly diversified opportunities in public and private credit markets, including but not limited to investment grade and high yield corporate bonds, leveraged loans, asset-backed, and mortgage backed securities.

### **Illiquid Debt Mandate - 2% of the Fund**

#### **Investment Objective**

The objective is to seek a target return of 8% per annum over 5 year investment horizon.

#### **Investment Restrictions**

There are no specific investment restriction's placed on the manager as this investment is in M&G's pooled fund, the Debt Opportunities Fund I and II, Debt Solutions and Illiquid Credit

### **Infrastructure Mandate - 2% of the Fund**

#### **Investment Objective**

The objective is to seek a target return of 15% IRR.

#### **Investment Restrictions**

There are no specific investment restriction's placed on the manager as this investment is in M&G's pooled fund, Infracapital Greenfield Partners Fund, which invests in the late stage development, construction, and/or expansion of unlisted infrastructure assets which offer long term stable cash flows and capital accretion. The Fund invests in sectors such as energy, utilities, transport, telecoms and social infrastructure.

## **Brookfield**

### **Timber Mandate - 0.5% of the Fund**

### **Investment Objective**

The Fund seeks a total return of 8% p.a.

### **Investment Restrictions**

There are no specific investment restrictions placed on the manager as this investment is in Brookfield's Timberland Pooled Fund.

## **KKR**

### **Infrastructure Mandate - 1% of the Fund**

#### **Investment Objective**

The Fund seeks a total return of 8% p.a.

#### **Investment Restrictions**

KKR invests in infrastructure on a global basis, with the goal to achieve returns through the acquisition and operational improvement of the assets to generate returns through income and capital appreciation. No restrictions have been placed on the fund.

## **Pantheon**

### **Private Equity Mandate - 3% of the Fund**

#### **Investment Objective**

The Fund seeks a total return of 8% p.a.

#### **Investment Restrictions**

Pantheon has a global investment mandate in primary partnerships, secondary partnerships and co-investments within private equity. No restrictions have been placed on the fund.

## **Partners Group**

### **Infrastructure Mandate - 2% of the Fund**

#### **Investment Objective**

The Fund seeks a total return of 8% p.a.

#### **Investment Restrictions**

There are no specific restrictions placed on the manager as this is a pooled investment in Partner's Group Global Infrastructure 2012 SICAR fund which seeks investment opportunities in direct, secondary and primary infrastructure markets.

## **Pyrford International**

### **Absolute Return Mandate - 6% of the Fund**

#### **Investment objective:**

The Fund seeks to provide a stable stream of real total returns over the long term with low absolute volatility and significant downside protection.

Target: RPI +5%, Gross, Over 5 Years

#### **Investment policy:**

The Fund will seek to achieve its investment objective and will focus on capital preservation to achieve real total returns. By investing in asset classes and securities which offer sound fundamental value and avoiding asset classes and securities which offer poor fundamental value, the Fund will seek to achieve real total returns. The Fund will invest in investment grade sovereign Debt Securities and equities of companies that, at time of purchase, have a minimum stock market capitalisation of US\$500 million and that are listed, traded or dealt in on a Regulated Market. Particular emphasis will be placed on

Regulated Markets in North America, Europe (including the UK) and the Asia Pacific Region (including Japan).

**Investment Restrictions**

There is no specific investment restrictions placed on the manager as this investment is in Pырford's pooled fund, the Global Total Return (Sterling) Fund.

**Wilshire**

**Private Equity Mandate - 1% of the Fund**

**Investment Objective**

The Fund seeks a total return of 8% p.a.

**Investment Restrictions**

Wilshire has a global investment mandate in primary partnerships, secondary partnerships and co-investments within private equity. No restrictions have been placed on the fund.

**Winton**

**Absolute Return Mandate - 4% of the Fund**

**Investment Objective**

The Fund seeks a total return of 3 month Libor +5%.

**Investment Restrictions**

Investment restrictions are not placed on the manager who trades using a highly automated and systematic process using computer algorithms built from research and quantitative data analysis to trade futures in financial assets including equities, currencies, bonds, commodities, livestock and energy.

